

Construction Advisory

CA 2006-18
October 27, 2006

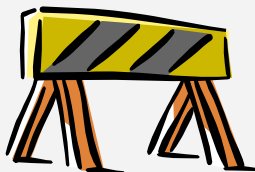
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Index: Davis Bacon Labor
Compliance

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Construction Advisory
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BJO:AW

Certified Payrolls

This construction advisory serves as a reminder that federal funded contracts require weekly certified payrolls, except for the following instances:

- contracts of \$2000 or less
- local force account projects
- projects located off the federal-aid highway system

Furthermore, beginning with the August 4, 2006, letting, state funded projects of \$10,000 or more and employing three or more people require certified payrolls. This is in accordance with BOH IM 2006-06, *Certified Payrolls, Wage Rates, and Employment Reporting on State and Federally Funded Projects*.

Contracts where prevailing wages apply contain a Notice to Bidders, which states in part, "All payrolls submitted shall identify minority and

female employees . . ." The project engineer should return payrolls submitted without this information to the contractor for correction.

Certified payrolls are required to be submitted to the project engineer weekly for contract work performed during the preceding weekly payroll period.

Certified payrolls are required for truck drivers in accordance with BOH IM 2004-21, *Davis-Bacon and Prevailing Wage Compliance*, which states, "Truck Drivers are covered by Davis-Bacon while:

- They are working on the "site of work."
- Hauling to or from a facility that is deemed part of the "site of work." (For example, driving between the job site and a dedicated batch plant or tool yard located adjacent to, or virtually adjacent to, the job site.)"

This is also required on projects where state prevailing wages apply.

Biweekly progress payments for work completed by the prime contractor and/or subcontractor may be withheld, upon written notice from the engineer, for failure to comply with the contract prevailing wage requirements (Davis-Bacon and/or Michigan Prevailing Wage Rate Schedule), and for failure to submit weekly certified payrolls.

Project personnel are reminded that each Construction Pay Estimate Report contains an Estimate Certification, which states, "I also certify that the prime contractor is meeting all requirements for minority percentages and the payrolls are current."

Please share this advisory with your local agencies and consultants.